

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representatives Present During the Inspection:

| OGM | Steve Demczak Environmental Scientist III |
|-----|---|
| OGM | Karl Houskeeper Environmental Scientist III |

Inspection Report

| Permit Number: | | | |
|------------------|------------------------------|--|--|
| Inspection Type: | | | |
| Inspection Date: | Friday, December 21, 2007 | | |
| Start Date/Time: | 12/21/2007 8:00:00 AM | | |
| End Date/Time: | 12/21/2007 9:00:00 AM | | |
| Last Inspection: | Wednesday, November 07, 2007 | | |

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 12 inches snow cover, 22 deg

InspectionID Report Number: 1511

Types of Operations

Accepted by: dhaddock

1/4/2008

Permitee: CASTLE GATE HOLDING CO
Operator: CASTLE GATE HOLDING CO

Site: CASTLE GATE MINE

Address: PO BOX 30, HELPER UT 84526-0030

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: RECLAIMED

Current Acreages

| Total Permitted | 7,619.00 |
|------------------------|----------|
| Total Disturbed | 63.00 |
| Phase I | 29.20 |
| Phase II | 18.20 |
| Phase III | |

Mineral Ownership

| | | - | •• |
|----------|---------|---|---------------|
| ✓ | Federal | | ✓ Underground |
| ✓ | State | | ✓ Surface |
| ✓ | County | | ✓ Loadout |
| V | Fee | | Processing |
| | Other | | Reprocessing |

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The Permittee notified the Division on May 7, 2007 that the required first quarter of 2007 surface water monitoring information for the Castle Gate Mine was in the DOGM EDI pipeline and was acceptable for uploading. All sites were monitored at the end of March and were reported as "no flow". The Permittee continues to meet the Special Condition included as Attachment "A" of the current State permit. There are no other "special" permit conditions. The field conditions in Sowbelly and Hardscrabble Canyons remain virtually unchanged, as does the condition of the reclaimed area for Adit #1.

Inspector's Signature:

Stephen (Steve Demozak, Environmental Scientist III

Date

Friday, December 21, 2007

Inspector ID Number: 39

Permit Number: C0070004 Inspection Type: PARTIAL

Inspection Date: Friday, December 21, 2007

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
- b. For PARTIAL inspections check only the elements evaluated.

 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | | Evaluated | Not Applicable | Comment | Enforcement |
|-----------|---|-----------|----------------|----------|-------------|
| <u>1.</u> | Permits, Change, Transfer, Renewal, Sale | | | | |
| 2. | Signs and Markers | | | | |
| 3. | Topsoil | V | | ✓ | |
| 4.a | Hydrologic Balance: Diversions | V | | ✓ | |
| 4.b | Hydrologic Balance: Sediment Ponds and Impoundments | | ✓ | | |
| 4.c | Hydrologic Balance: Other Sediment Control Measures | ✓ | | ✓ | |
| 4.d | Hydrologic Balance: Water Monitoring | | | | |
| 4.e | Hydrologic Balance: Effluent Limitations | | | | |
| 5. | Explosives | | | | |
| 6. | Disposal of Excess Spoil, Fills, Benches | | | | |
| 7. | Coal Mine Waste, Refuse Piles, Impoundments | | | | |
| 8. | Noncoal Waste | | | | |
| 9. | Protection of Fish, Wildlife and Related Environmental Issues | | | | |
| 10. | Slides and Other Damage | | | | |
| 11. | Contemporaneous Reclamation | | | | |
| 12. | Backfilling And Grading | <u> </u> | | ✓ | |
| 13. | Revegetation | | | | |
| 14. | Subsidence Control | | | | |
| 15. | Cessation of Operations | | | | |
| 16.a | Roads: Construction, Maintenance, Surfacing | | | | |
| 16.b | Roads: Drainage Controls | | | | |
| 17. | Other Transportation Facilities | | | | |
| 18. | Support Facilities, Utility Installations | ✓ | | ✓ | |
| 19. | AVS Check | | | | |
| 20. | Air Quality Permit | | | | |
| 21. | Bonding and Insurance | | | | |
| 22. | Other | | | | |
| | | | | | |

Inspection Continuation Sheet

Permit Number: C0070004 Inspection Type: PARTIAL

Inspection Date: Friday, December 21, 2007

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3. Topsoil

All topsoil has been used in reclamation.

4.a Hydrologic Balance: Diversions

Diversions were snow covered

4.c Hydrologic Balance: Other Sediment Control Measures

No sediment could be seen going off site. There was no melting of snow or water flow.

12. Backfilling And Grading

The mine site is backfilled and graded.

18. Support Facilities, Utility Installations

No facilities are on site.